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Iraq Egg Situation

Prior to the August 1990 U.N. embargo, about 75 percent of the total calories consumed in Iraq were imported. The war began in mid-January, 1991, 5 months after the embargo was imposed. Early in the bombing campaign the loss of electricity caused the loss of perishable food. Iraq had 8,400 electricity run poultry houses. The loss of electricity led to the death of 90 percent of the poultry housed, about 106 million hatching hens. After the war, the poultry sectors were badly damaged by shortages of feed, drugs and vaccines. The disruption of the electric power supply and the lack of spare parts caused slaughter houses to cease functioning.

The figures for these sectors before and after aggression are as follows:

ITEM	PRE-AGGRESSION	POST-AGGRESSION
BROILER PULLETS	320 000 tons per annum	Zero
LAYERS	10.5 million	2 million
BREEDERS	200 000	Zero

Artificial insemination was disrupted and animal diseases spread because of the widespread spoilage of antibiotics and isolates of viral and bacterial strains. All of this caused a reduction in livestock numbers and a nutritional shortfall for 18 million Iraqi citizens.

Up to that time, the United States had been the largest supplier of agricultural goods, providing between one-fourth and one-third of Iraq's imported agricultural needs. Virtually all U.S. agricultural goods shipped to Iraq through July 1990 were under U.S. Government programs, such as the export credit guarantee programs (GSM-102 and GSM-103) and the Export subsidy program called the Export Enhancement Program (EEP). Iraq was the 12th largest market for US agricultural exports in 1989. Iraq was the second largest recipient of the U.S. Government-guaranteed export loans and the seventh largest EEP subsidy recipient during the latter half of the 1980s.

The UN implemented an oil-for-food program in December, 1996. Since 1999, Iraq has been authorized to export unlimited quantities of oil to finance humanitarian needs, including food, medicine, and infrastructure repair parts. It wasn't until May, 2002 that the UN approved a change in the oil-for-food program to allow "dual-use" goods (goods that could have a military as well as civilian use). As an example, chlorine can be used for water purification, but it can also be used for weapons manufacturing.

In 1996 the FAO estimated Iraq's cost of food imports for one year included 1,816 million eggs at a cost of US\$242 million.

Per Capita Availability of Table Eggs

	1990	1993	1995
Eggs/year	85	25	10

Iraq Production Shortages 1995/1996

Eggs in millions

Estimated production	150
Total requirement	1,966
Shortage or import requirement	1,816
Shortage as % of total requirement	92

Open Market Prices: Eggs (30 eggs) ID/KY

July 1990	3.600
June 1993	80.011
End of August 1995	4.000

Increase in prices (times)

June 1993 over July 1990	22
August 1995 over July 1990	1,111
August 1995 over June 1993	40

ID - Iraqi dinar

Basic Food Import Requirements for Iraq

1995/1996 - Eggs in millions

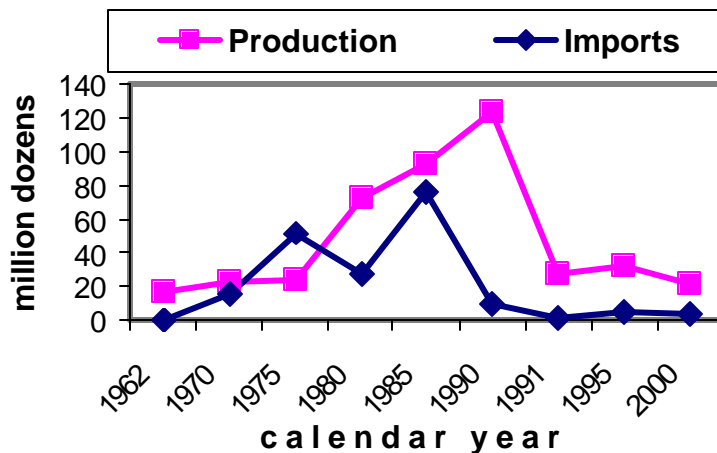
Shortage or import requirement	1,816
Price (CIF Baghdad)	18 (per box of 360 eggs)
Import cost , million US\$	91

U.S. Exports to Iraq Hatching Eggs

	Value dollars	Volume dozens
1980	8,702,107	12,928,800
1981	16,603,780	24,567,750
1982	7,139,160	10,708,740
1987	6,374,271	12,649,638
1988	26,813,473	14,178,289
1989	15,540,119	5,003,323
1990	4,229,446	1,354,187

Source: USDA/Foreign Agricultural Service

Iraq: Shell Egg Production and Imports in million dozens



Source: U.N. Food and Agriculture Organization

Sources: FAO, USDA/FAS, 1991 CRS Report for Congress, U.S. Energy Information Administration, Congressional web site, CIA World Fact Book

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending May 10, 2003	2003	2002/1	Year-To-Date 2003	2002
Liquid	411	402	4,703	7,126
Frozen	0	0	63	0
Dried	41	0	176	138
Total	452	402	4,942	7,264

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending May 10, 2003	2003	2002/1	Year-To-Date 2003	2002
Liquid	141	118	2,117	2,553
Frozen	42	80	1,429	1,424
Dried	0	208	440	1,972
Total	183	406	3,986	5,949

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending May 10, 2003	2003	2002 /1	Year-To-Date 2003	2002
Jumbo	45	33	166	1,067
Extra Large	290	810	4,300	4,527
Large	2,825	3,807	20,968	37,612
Medium	690	0	24,088	18,778
Ungraded	5,250	14,550	17,706	91,955
Misc	30	930	3,072	12,094
Total	9,130	20,130	70,300	166,033

*Ex Large to-date 2003 week ending May 3 should have read 4,010.

/1 Comparable Week, to-date figures may not total due to rounding.
Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

CHICKEN				
16-MAY-2003				
PRICES VOLUME				
(Cents per Pound)				

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

PRICES VOLUME				
(Cents per Pound)				

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	15.00-17.00	186,200	-
WTD AVERAGE		15.96		
15-20%				
RANGE	12.00-15.00	11.00-16.00	2,040,000	285,600
WTD AVERAGE	13.29	12.75		
20% OR MORE				
RANGE	-	12.00	32,000	-
WTD AVERAGE		12.00		

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

LIVE POULTRY SLTRD UNDER INSPECTION W/E 10-May-03 (PRELIMINARY)**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	1,586	1,364	2,950
LAST WEEK	1,846	1,209	3,055
SAME WEEK YR AGO	2,008	1,280	3,288
TO-DATE/2003	32,202	25,060	57,262
TO-DATE/2002	35,041	24,956	59,997

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	98	0	98
LAST WEEK	279	3	282
SAME WEEK YR AGO	352	4	356
TO-DATE/2003	5,206	68	5,274
TO-DATE/2002	6,225	24	6,249

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	1,684	1,364	3,048
LAST WEEK	2,125	1,212	3,337
SAME WEEK YR AGO	2,360	1,284	3,644
TO-DATE/2003	37,408	25,128	62,536
TO-DATE/2002	41,266	24,980	66,246

SOURCE: USDA/AMS PLTRY PROGRAMS, MARKET NEWS BR.

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

CHICKEN				
16-MAY-2003				
PRICES VOLUME				
(Cents per Pound)				

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

PRICES VOLUME				
(Cents per Pound)				

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	15.75-18.50	15.75-17.00	786,000	526,000
WTD AVERAGE	17.10	15.94		
15-20%				
RANGE	14.30	11.00-15.00	1,952,000	-
WTD AVERAGE	14.30	12.17		
20% OR MORE				
RANGE	-	11.00	80,000	-
WTD AVERAGE		11.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 16 MAY 2003.

The undertone on tom drums and full-cut wings was mostly steady, tom necks and 2-joint wings were steady to barely steady. Demand was light to fair. Offerings of tom parts were light to adequate on drums, full-cut wings at least adequate, necks and 2-joint wings adequate to fully adequate. The undertone on 4-8 lb. breasts was steady at best while institutional breasts continued lack any signs of strength. Domestic trading was slow and centered on drums and breast trim. Some Grade A non-basted 12-16 lb. breasts traded at 87-100 and 2 year old plant grade non-basted 10-12 lb. breasts at 75 cents delivered domestic. Export trading centered on a heavy volume of frozen thigh meat, balance light. For export: frozen 15-20% mechanically separated turkey -60 days age 14.50, fresh tom drums 20, frozen destrapped tenderloins 102 cents delivered.

FRIDAY, MAY 16, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	19.00		19.00	80	19.33	120
WINGS FULL-CUT - TOMS		W	12.00	258	12.00	258
WINGS, V-TYPE, TOM TAILS	20.50		20.50	208	19.50	312
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	17.00 46.00-51.00		17.00 48.62	10 797	21.00 47.15	50 1,221

THURSDAY, MAY 15, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	20.00		20.00	40
WINGS FULL-CUT - TOMS		W	12.00	258
WINGS, V-TYPE, TOM TAILS	17.50		17.50	104
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	22.00 42.00-52.00		22.00 43.33	40 300

WEDNESDAY, MAY 14, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	19.32	560
WINGS FULL-CUT - TOMS	12.00		12.00	258
WINGS, V-TYPE, TOM TAILS		W	18.00	208
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	52.00	F	16.69 52.00	248 20

TUESDAY, MAY 13, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	19.32	560
WINGS FULL-CUT - TOMS		F	12.50	208
WINGS, V-TYPE, TOM TAILS		W	18.00	208
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		F M	16.69 46.00	248 104

MONDAY, MAY 12, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	19.32	560
WINGS FULL-CUT - TOMS		F	12.50	208
WINGS, V-TYPE, TOM TAILS		W M	18.00 16.00	208 52
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	46.00	F	16.69 46.00	248 104

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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